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EX PARTE OR LATE FILED

January 23, 1998

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
Washington, DC 20554

RECEIVED

JAN 23 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Filing - CC Docket Nos. 96-128 (Pay Telephones)

Dear Ms. Salas:

On January 16, I responded to requests arising during a meeting last year on payphone matters. Inadvertently, I simply addressed the letter to Mr. Muleta. By this filing, I am making it an ex parte filing in this docket and attaching the January 16, 1998 letter.

Two copies of this notice are filed in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,

F. Gordon Maxson
Director - Regulatory Affairs

Attachment: January 16, 1998 letter to John Muleta

C: Rose Crellin
ITS

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GTE Service Corporation
1850 M Street, N.W., Suite 1200
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202 463-5200

January 16, 1998

Mr. John Muleta, Deputy Chief
Common Carrier Bureau
Federal Communications Commission
Washington, DC 20554

Dear Mr. Muleta:

This letter responds to requests made during the meeting with Rose Crellin, Craig Stroup and you on December 23, 1997 concerning payphone matters. The status of GTE moving to the use of FlexANI to meet the payphone coding digit requirement of the Commission's payphone orders was the principle point of discussion. I indicated that I would furnish a status report by mid-January on this issue and answer specific questions posed by Rose concerning ANI provision by GTE non-equal access central offices, demographics of payphone lines within GTE, and "smart payphone" per-call compensation mechanisms proposed for use until FlexANI becomes available.

Throughout this proceeding, GTE sincerely believed that the only way it could completely meet the Commission's payphone-specific coding digit requirement by October 7, 1997 was through a Line Information Data Base ("LIDB") based solution called Originating Line Number Screening ("OLNS"). That service is in our access tariff and has been available to interexchange carriers since April, 1997. Since our network still contains some non-equal access switches (which we have committed to convert to equal access by the second quarter of 1999), GTE reasoned that FlexANI (a technology which requires that all end offices are capable of equal access) was not a viable solution for ubiquitous provision of the required payphone-specific coding digits.

The Commission's Payphone Waiver Order, extending the October 7, 1997 compliance date to March 9, 1998, did not alleviate our equal access capability concerns and we continued with the plan to utilize OLNS and to develop a new federally tariffed rate element which would direct OLNS charges to payphone service providers should any IXC request provision of payphone coding digits via OLNS. In advance of the Commission's Payphone Waiver Order, USTA filed a request for waiver of the payphone-specific coding digit requirement for non-equal access central offices. GTE believes the record in that proceeding indicates that most, if not all, parties support the grant of such a waiver. Should the Commission grant USTA's waiver request, the major obstacle to GTE committing to the use of FlexANI to provision payphone coding digits would be removed.

Nevertheless, since October, 1997, we have pursued the possibility of providing payphone-specific coding digits utilizing FlexANI. With grant of a waiver for its non-equal access offices, GTE will commit to provide such payphone-specific coding digits using FlexANI on all payphones as quickly as is technically feasible. Like virtually all other members of the RBOC/GTE/SNET Payphone Coalition ("Coalition"), GTE would turn on FlexANI on a rolling basis as end-offices are properly equipped to provide FlexANI and interexchange carriers are prepared and request to receive it.

Mr. John Muleta
January 16, 1998
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Currently approximately 57% of payphones (those attached to so-called "smart lines") within GTE's operating areas transmit the coding digit "27". The implementation process to convert the remaining lines for us is complex. We believe that various, distinct forms of FlexANI software are currently resident in all of our equal access switches, but this software must be tested to verify that it operates correctly. Extensive software provisioning, data base translation, trunk conditioning work and service order/billing procedure revisions must also be completed. FlexANI has to be tested with any and all interexchange carriers requesting the service in order to ensure that the desired payphone coding digits are correctly transmitted by GTE and received by the carriers. Finally, GTE currently has no federally tariffed FlexANI service offering. All cost determination and cost support information must be identified and developed for a new FlexANI tariff filing. (Unlike the BOCs, therefore, no Part 69 waiver would be required to make a new GTE service offering.) Lack of a tariff, however, will not delay implementation of FlexANI.

GTE has approximately 1700 equal access switches (many of which have subtending remote serving units) spread over its 28 state operating area. These switches contain six distinct versions of FlexANI software that must be individually tested. Testing began this month and is expected to be completed within 2-3 months. (The resources needed for this project had been tied-up with other critical projects until now. Even now, we will be able to test only one version of software at a time. Testing of each different software package takes two to three weeks.) We understand that other members of the Coalition have tested some of the same software, and we will try to leverage off their results, but approximately 36% of our switches contain software not used by the Coalition. GTE has given this type switch (the AGCS manufactured GTD-5) its highest testing priority. MCI and AT&T have been contacted as possible interexchange testing partners, but arrangements have not been finalized to date. Failure to obtain a testing partner will add to the length of the test period. The GTD-5 serves the majority of payphones requiring conversion and until software operation, provisioning intervals, data base translation requirements, trunk conditioning requirements, and interexchange carrier testing is complete it is not possible to provide a deployment schedule.

Upon completion of testing, GTE will furnish the Commission a deployment schedule like those furnished previously by other members of the Coalition. Any schedule submitted today would represent pure conjecture. It might be possible that GTE could be fully converted in eight months (except for the non-equal access offices), or it could be as long as 18 months. I will keep you fully informed each step of the process, *i.e.* results of the testing, deployment schedule, etc.

As mentioned above, Rose posed several questions at our meeting. The attachment to this letter addresses those questions. If you have any further questions, please call me at 463-5291.

Very truly yours,



F. Gordon Maxson
Director - Regulatory Affairs

Attachment

C: Rose Crellin

Questions propounded by Rose Crellin:

Question: What ANI digits are passed by non-equal access central offices?

Answer: GTE non-equal access central offices pass ANI digit combination "00" for all telephone lines, including coin. Such switches are not capable of providing any ANI specificity as to the type of instrument generating an outgoing call. Coin lines are identified through means other than ANI digits in these central offices.

Question: What is GTE's proposal for administering per-call compensation for these offices until converted?

Answer: GTE will process billing lists from interexchange carriers depicting all incoming calls against an ANI listing compiled by GTE of all smart payphones utilizing a so-called "dumb" payphone line. Calls appearing on both lists will qualify as compensable calls.

Question: Can GTE furnish a single GTE point of contact for interexchange carriers to order FlexANI?

Answer: Interexchange carriers have specific access service account managers within GTE's Carrier Markets organization. Most carriers are used to contacting and dealing with these personnel for all their access needs and/or questions. FlexANI is an access service and any service or availability questions can best be answered by this GTE organization. Others may call the Public Communications Order Center at 800-483-2678. This center processes orders to change the selected carrier on payphones.

Question: How many smart payphone lines does GTE provide?

Answer: GTE currently provides lines for approximately 80,000 smart payphones. 13,000 of these lines are utilized by GTE's payphone operations and the other 67,000 are utilized by independent payphone providers.

Question: What mechanism would GTE propose for compensation to smart payphones before FlexANI becomes available?

Answer: GTE would propose that the interim mechanism being used currently for per-call compensation (one not requiring FlexANI or OLNS) be continued until FlexANI becomes available. This method compares a GTE-provided list of all smart payphone ANIs (representing both GTE and independent smart payphones) with a carrier-provided list of recorded incoming calls. All instances where the carrier's list matches the GTE list identifies a compensable call from a payphone. In effect, this simply continues the mechanism used today.